

ORIENT EXPRESS

THREE BOOKS EXPLAIN how the world should deal with the new power game – where the growing Asian dominance is beginning to reflect on the global economy.

BY NITIN DESAI



PHOTO: AFP

SEA POWER: A file photo of Chinese destroyer Shenzhen being given a ceremonial send-off at the Zhanjiang naval base for its first port call in Japan

**BILL
EMMOTT**
RIVALS
HOW THE POWER
STRUGGLE BETWEEN
CHINA, INDIA
AND JAPAN WILL
SHAPE OUR NEXT DECADE

Bill Emmott

Rivals: How the Power Struggle Between China, India and Japan Will Shape Our Next Decade, Allen Lane (2008) Pp. 314, £20

In September 1990, the Cold War formally ended with the peace treaty that allowed the reunification of Germany and the elimination of the front across which the West and the Soviet Union had confronted one another for some 45 years. One super power remained and the liberal democracies of the West thought that they had triumphed and history was at an end. Soon enough the violence in West Asia and the southern underbelly of Europe and Russia disabused them of that notion and even gave NATO a new reason for continued survival. But what has shaken the complacency of the West far more is the emergence of China as a formidable economic and military power and India following suit with nuclear tests and eight per cent-plus growth. For, what the rise of China and India challenges is not just peace in their neighbourhood, but also western dominance, and this is a seismic shift for which they are not ready.

In different ways all the three books under review focus on how the world should deal with this new power game. The first is by Bill Emmott, formerly editor of the house journal of market-oriented globalisers, *The Economist*; the second by the Singaporean diplomat and author, Kishore Mahbubani, who has shown that Asians can think. The third is a seminar collection from an influential think-tank, Delhi Policy Group (DPG), giving the views of two scholars each from China, Japan and India.

Emmott's *Rivals* begins with Bush's wooing of India with the nuclear deal and the strategic partnership, which, according to Emmott, is a move comparable in 'strategic importance and imagination' to Nixon's dramatic visit to China in 1972. Even though

one half of the partnership seems as yet unready for this latest amatory advance, the attention of the world's only super power has clearly shifted from Europe to Asia.

Emmott's book is about the emergence of three Asian powers — his conception of Asia is more or less the same as what was called 'Monsoon Asia' in an article by this reviewer in the first issue of this journal, i.e. Asia east of Iran and south of Mongolia. He shares that article's scepticism about the relevance of the geographer's Asia for understanding history or projecting the future — China, India and Japan, the rivalries between them and the challenge of managing the balance of power between them to ensure both regional and global peace. He sees China and India continuing on their high growth path to join the U.S. as the three largest economies in the world. He also, optimistically, sees the Japanese economy, which seems to suffer from some sort of bipolar disorder, coming out of its long depressed state into a condition not quite manic but at least happy. He recognises the key weaknesses of the three Asian powers — the authoritarian political structure in China, the weight of past sins in Japan and India's difficulties with its immediate neighbours. But he sees the economic and military power of all three rivals growing and given the several potential flashpoints, a risk of violent conflict. For him the challenge is about how the world, continuing to be led by the U.S., will manage this.

Mahbubani has a low view of the capacity of USA and the West to adjust to new realities and argues that the pragmatic approach of the Asians is more likely to deliver a stable world order than neo-con obsessions about democracy or European



MENDING FENCES: Premier Wen Jiabao addresses Japan's Parliament in 2007, the first by a Chinese leader in over two decades

concerns about human rights. His book could even have been titled, with due apologies to the ghost of K.M. Pannikar, 'The West and Asian Dominance'. But Mahbubani focusses mainly on Chinese capacities and seems to think that Deng's pragmatism has led them to get everything right — their economy, their relations with their neighbours, their deftness in diplomacy and power politics and even domestic political development, though he expresses some mild concern about the lack of political freedoms. But he also sees much that is similar and promising in India and ASEAN also. Japan, however, is an honorary westerner in his sights and therefore subject to his prognosis of western decline.

The third book from the DPG seminar is more about the current dynamics and how they are playing out at the moment. Its value is that it gives the views of Chinese, Japanese and Indian researchers, allowing one to understand the domestic

compulsions that shape policy, the nuances that shade each country's perception of the other two and the regional matrix within which they operate.

Emmott's and Mahbubani's books complement each other nicely — one giving an essentially liberal European view and the other an Asian view of the same set of developments. While Mahbubani devotes much space to the failures of the West, principally the U.S., Emmott qualifies his projections of Asian growth with the infirmities that still constrain the three rivals — China, India and Japan.

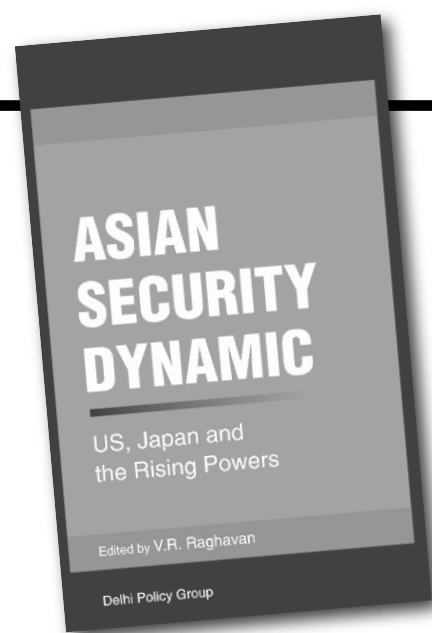
Both books have been swayed by the now well-known Goldman Sachs forecasts about the growing weight of the BRICs (an acronym for Brazil, Russia, India and China, that gets them virtually in reverse order of importance). Both trot out Angus Maddison's data and point out that Asia — more particularly China and India — was the centre of the world economy till the

early eighteenth century. Asia Redux is not a new theme. Andre Gunder Frank wrote his book *Reorient: Global Economy in the Asian Age* a decade ago where he argued that the rise of the West was a mere blip in a world system dominated by China, India and other Asian economies and that these were now doing precisely what western Europe did around 1800 onwards. But he was a radical historian well to the left in the political spectrum and did not receive the attention that journalists arguing for the virtues of market liberalism get today for their here-and-now account of the resurgence of Asia.

Sometimes the two authors appear to date China's emergence as a significant global player to the start of the Deng era in 1978 and of India to the Manmohan era beginning 1991. This discounting of what was achieved in the preceding three or four decades fails to recognise that the post-liberalisation growth would not have been pos-

»POLITICS WILL SHAPE TOMORROW'S ASIA, AN ASIA OF GREAT POWER RIVALRY, OF SUSPICION AND OF STRATEGIC MANOEUVRING, THE BEGINNINGS OF WHICH CAN ALREADY BE SEEN.«

_ BILL EMMOTT



V.R. Raghavan
 Asian Security Dynamic:
 US, Japan and the Rising Powers
 Promilla and Co.
 Bibliophile South Asia (2008)
 Pp. 188, Rs. 395

sible without the earlier achievements in professional education, military and technological capacity and the elimination of rural feudalism. China would not have become the world's workshop without the help of what was done in the Mao era to liberate the peasantry and to universalise health and education. India would not be the world's back office without the large investment in technical education in the fifties and sixties.

There are, however, some differences between the European and the Asian author. Mahhubani's book expresses the frustration that Asians may feel about the appropriation of freedom, dissent, tolerance and justice as western values, the double standards that overlook the breach in these values when western interests are at stake, for instance in Saudi Arabia, the deafness to cultural differences particularly in relation to Islamic societies. Emmott fails to take account of the consequences of the growing Asian impatience with western arrogance.

A more important difference is the treatment of West Asia which is crucial to the dynamics of Asian development. Emmott's list of potential flashpoints includes mainly regional disputes and areas of tension (Pakistan, the Sino-Indian border and Tibet, the East China Sea, Taiwan and Korea). But the dependence of Asian economies on West Asian oil is great and will grow and with that the trade links between the Gulf and Monsoon Asia. This is where the Asians could get enmeshed in violent conflict to protect their sources and supply lines. For Mahhubani the greatest geopolitical failure of the West is in West Asia with no resolution in sight to the Palestine-Israel conflict, the quagmire in Iraq and Afghanistan, the emergence of a hostile and be-

sieged Iran and the mess in Lebanon. Mahhubani contrasts this failure with China's finesse in handling the suspicion of the South East Asians. It supported them during the 1997 financial crisis and it speedily concluded a Free Trade Agreement with ASEAN. But what about the invasion of Vietnam and the backing for the genocidal Pol Pot? Those were not the acts of a responsible superpower.

Emmott and Mahhubani's views on what needs to be done in the institutional architecture differ in tone more than in substance. Where Mahhubani would ask the West to move over to make way for the Asian giants, Emmott would talk of accommodation. Both would like to see the G-8 widened to include China, India and some others and the U.N. Security Council reformed with permanent membership for India and Japan (with a veto according to Mahhubani). Both talk of including the Asian powers in global economic governance and Mahhubani questions the preemptive rights that USA and Europe claim for the leadership of the World Bank and the International Monetary Fund. Both wish to strengthen regional institutions like the East Asia Summit. Both want market oriented globalisation to continue and both emphasise nuclear non-proliferation and action on global warming as critical to a stable and peaceful future.

The probable evolution of the world economy and the growth of Asian dominance in it are perhaps well understood and we may even have a global system capable of absorbing and handling it. There are some danger signals though. The main one,

which Mahhubani recognises and bemoans, is the gradual legitimisation of protection in western intellectual circles where several liberal economists have written about the need to accommodate the fears engendered by outsourcing. But globalisation is now driven by the changing nature of the multinational corporation that disaggregates the entire value chain from raw material extraction to final sale and after-sale service and locates each bit of the chain where it can deliver most efficiently. As long as the West is wedded to a capitalist system that serves corporate interests, globalisation is safe. What Asians should fear is a socialist West and that is rather far away!

The implications of the growing military power and diplomatic clout of China, India and, Japan, if it jettisons the pacifism of its Constitution, are less clear. The emergence of three power centres in Asia is often seen through a European prism. Confronted by the reality of competing nations, frequent comparisons are made, and Emmott does that, with the balance of power politics that evolved in Europe after the Treaty of Westphalia and the way the balance was managed in the Concert of Europe after the defeat of Napoleon. But there was someone working to preserve the balance of power in Europe. It was England, always fearful of the Continent being dominated by one power and which, as a matter of policy, supported any viable competitor, whenever such a threat arose. When this English umpire's authority was challenged, the playing field became a battle ground where millions were slaughtered. Another umpire, an emerging power from across the Atlantic, came and rescued old Europe from its follies.

There is a big difference between the



COASTAL TIES: A joint India-Japan naval exercise in the Bay of Bengal

PHOTO: DIVYANGSHU SARKAR

geography that necessarily rubbed European powers against one another and the clear physical separation between India and China provided by the Himalayas and between China and Japan by a sea whose nomenclature remains a pointless source of contention. This geography explains their history where, despite being neighbours, they did not fight each other till modern times. Pre-modern Asian empires believed in paramountcy with a supreme ruler to whom others, in his sphere of influence, paid tribute. The question of balance did not arise. There was some friction at the edges between the empires; but by and large they left each other alone.

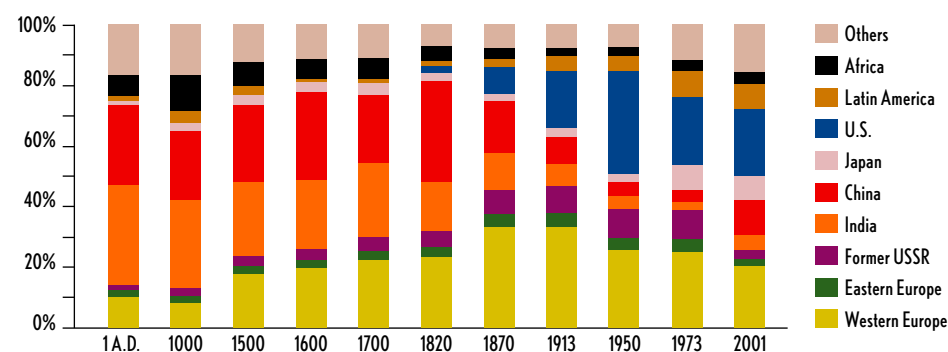
Now times have changed. China, India and Japan intrude upon each other's spaces much more. China interferes in India's backyard with impunity, building a naval presence in Gwadar port, supporting Pakistan's nuclear ambitions, cozying up to Bangladesh, competing for influence in Myanmar and now, with the Maoists in Nepal, threatening to loom right above the Gange-tic plain. It harbours and nurtures memories of war atrocities by Japan and has serious disputes about a string of small islands and uninhabited rocks that lie between

them. India has not intruded on the East Asian space in any way; but it has sheltered the Dalai Lama and sought to befriend countries like Vietnam and Cambodia which have clashed with China. Japan and India, mercifully, have not had any occasion to rub each other the wrong way, except for the sensitivities on the nuclear issue. In fact Radhabinod Pal's brave dissenting judgment at the Tokyo War Crimes Trials remains a source of Japanese gratitude, though, hopefully, as the Japanese contributor to the DPG seminar volume would want, it will go beyond backward looking nationalist gratitude to a more substantial confluence of interests.

The Asian giants cannot leave each other alone. Because of the dependence on West Asian oil, China will pursue a presence in the Indian Ocean region that allows it to protect its supply lines. Japan, with its pacifist constitution, is compelled to rely on the USA doing this job, but may welcome a growing Indian capacity to provide this service. India cannot rely fully on the Himalayas as a barrier with the Maoists in power in Kathmandu and will have to keep its options open in Tibet, not up-front but covertly. The East China Sea remains an area where China, Japan and Korea, amongst others, could clash on oil and gas rights or transit issues. And there is always the risk of a flare-up in Taiwan if some regime there decides to go for independence. All this excludes spillovers from the West Asia imbroglio or the Pakistan and Central Asian badlands.

Old habits of paramountcy do not work when empires intrude on one another. Hence, China most particularly, but also Japan and India must learn how to accommodate one another. Asian security

HISTORICAL SHARE OF WORLD GDP



- India and China represented more than 50 per cent of world GDP until 1820s
- Europe's share of world GDP peaked in 1900
- U.S. share of world GDP peaked in 1950

SOURCE: ANGUS MADDISON, THE WORLD ECONOMY, VOL II, HISTORICAL STATISTICS, DEVELOPMENT CENTRE, OECD, 2006

involves all the great powers of the world, including Russia, now resurgent under Putin and massive oil wealth. Can this balance of power peace be left to the Asian powers to work out? Does the USA have a role to play as the Asian equivalent of 'perfidious Albion', willing to support any potential challenger to whoever is dominant at the moment? Or is it too committed to the two democracies, India and Japan, to play this counterbalancing role? Will Russia choose to focus only on Europe and the Caucasus/Central Asian region and ignore its Eastern flank? What about the impact of terrorism, particularly on India?

The Chinese and Japanese contributions in the DPG seminar volume bring in a relatively newer element — the revival of nationalist sentiment in Japan, something that concerns that part of the world right now but not the rest. Will Japan, if and when released from U.S. guardianship, go back to its more militarist roots and threaten the balance of power in the East China Sea?

Emmott has a scenario that he describes as plausible pessimism. Elaborating on his scenario the script could run as follows: Chinese growth inevitably slows down but does so rather suddenly and sharply. This leads to protests, political repression and a more strident nationalist rhetoric to divert attention. A newly militarised Japan challenges China for oil exploration rights around the disputed islands in the East China Sea. Kim Jong-il dies and China integrates parts of North Korea, which are alleged to have been part of China at one time. A nationalist government in Taiwan decides to use all this confusion to declare independence. At the other end, the Dalai Lama dies, a puppet is named by

China, disturbances break out and are supported by India, firmly tied to U.S. and swayed by pro-Tibetan activists and a desire to keep China off-balance in South Asia. A terrorist group in the Pakistani badlands launches a 9/11 type attack on USA which decides to invade the area with Indian help. West Asia erupts in widespread street protests. Asia is plunged into a general conflagration which draws in the USA, Europe and Russia.

The barriers to violent conflict between states are higher now than they were in Europe in the first half of the twentieth century. There are four nuclear weaponised states in Asia, with Japan waiting in the wings and Israel and several other potential ones in West Asia. Does this increase or reduce risks of open war? Will the global norm of peaceful peace resolution work if nationalist sentiments are aroused? Will a balance of power between the major players in Asia be enough to prevent the plausibly pessimistic scenario? Or is something more needed?

The judgment of security planners in Asia has been that something more is needed and this has led to the ASEAN Regional Forum, the East Asia Summit and a flood of confidence building bilateral initiatives. These are the focus of much of the very informative discussion in the DPG volume. But the results obtained so far are meagre. There are modest improvements in the transparency of military activities, a process of dialogue to reduce the risks of misinterpretation of moves, some genuine cooperation on countering terrorism and ensuring maritime security. But the dialo-



SYMBOLIC TARGET: Japan's Zenkoji Temple was vandalised with spray paint over the Beijing Olympic torch relay issue

gue forums have not been able to reduce the risks of conflict because they have eschewed preventive diplomacy and conflict resolution out of the fear of most Asian participants that it would involve interference in internal affairs. This is why there is talk of an alliance of democracies or an OSCE type security forum in Asia.

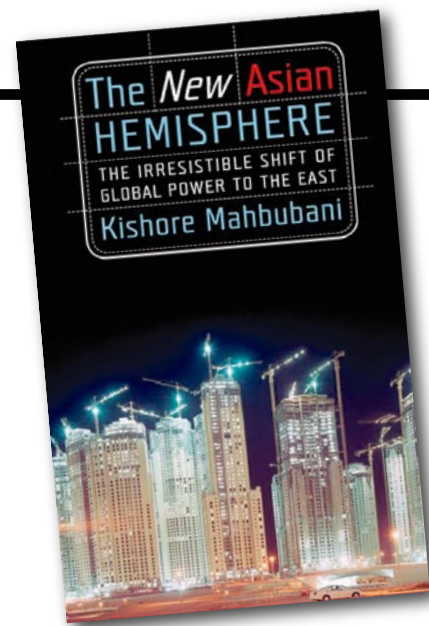
Can we be more ambitious and aim at institutions that can create what Mahubani calls 'a culture of peace', a level of trust and confidence that, on the lines of what Emmott calls a credibly optimistic scenario proceeds as follows: The Chinese economy adjusts to lower growth smoothly. The 2017 direct election of the Chief Executive in Hong Kong encourages the large Chinese middle class to demand a greater voice in politics and the technocrat-run CCP moves towards a one-party electoral democracy a la Japan. On Kim Jong-il's death the two Koreas are reunited peacefully. Japan experiences a fresh wave of innovation and pro-

ductivity growth that revives its economy. India resolves issues with its neighbours and opens trade to integrate the South Asian economies. When the Dalai Lama dies, India helps China to work out a succession which is accepted by the Tibetan exiles. One can add other dimensions to this — democracy and moderation taking root in Pakistan, a resolution of the Palestine-Israel dispute that defangs terrorist groups, a rising middle class pressing for and getting constitutional, but perhaps one-party, democracies in West Asia.

What can make this credibly optimistic scenario a little more likely than at present? The answer lies in a deepening of collaboration in the existing regional institutions, a thickening of bilateral relationships between the three major players. But Asian security is not independent of what happens in West Asia, Africa or in the emerging confrontation between NATO and Russia. That is why the Asian powers

need not just an Asian but a global role and that too not just in economic management but on core security matters in the U.N. Security Council and elsewhere.

"Managing the relationship between China, India and Japan promises to be one of the most important tasks in global affairs during the next decade and beyond, comparable in importance to the need to find peaceful ways to manage the relationships between Europe's great powers during the twentieth century," says Bill Emmott. But for this to happen, these Asian powers must be part of the management. Only the Asian powers can manage Asian security and build the institutions required to reduce the risks of an economic or political or military meltdown. This is the easy part of the job. The more difficult part is the sharing of global power that is necessary. Will the West and Russia allow this to take place with the political equivalent of a negotiated merger or will it require a hostile takeover? □



Kishore Mahubani
The New Asian Hemisphere:
The Irresistible Shift of
Global Power to the East
Public Affairs (2008)
Pp. 314, \$26

» WE HAVE ENTERED
THE TURBULENT ERA OF
DE-WESTERNISATION.«

— KISHORE MAHBUBANI

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